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Business Indicators ◆ October 2011

Tourism-Related Establishments

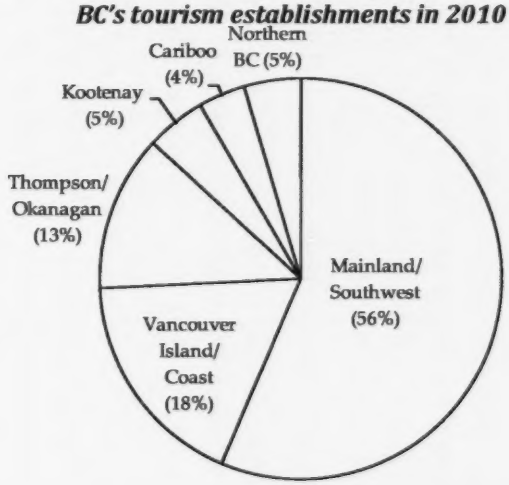
Number of establishments inching up

A total of 17,943 tourism-related establishments operated in British Columbia in 2010, slightly more than in 2009. Approximately one in ten business establishments in BC (171,111) were related to tourism in 2010, a proportion that has remained largely constant over time.

Over half of tourism establishments are in Mainland/Southwest

As one might expect, Mainland/Southwest contained the largest share of tourism-related establishments in British Columbia (56%), followed by Vancouver Island/Coast (18%) and Thompson-Okanagan (12%). Other regions had a much smaller share, with 5% in Kootenay, 4% in Cariboo, and 5% in Northern BC [an aggregate of North Coast (2%), Northeast (2%), and Nechako (1%)]. These proportions have remained nearly unchanged for over a decade.

Vancouver Island/Coast and Thompson/ Okanagan were home to nearly a third of BC's tourism establishments in 2010



A note on tourism establishments

BC Stats collects establishment counts from Statistics Canada's Business Register. Each establishment is categorized according to the North American Industry Classification System (NAICS), of which a group of industries have been aggregated and defined as "tourism-related establishments"[1]. The included industries are: food & beverage, transportation, accommodation, amusement, gambling, & recreation, performing arts, spectator sports & related, and heritage institutions. This definition of tourism is specific to establishment counts. Tourism GDP and employment calculations use proportions of production of relevant industries which are attributable to "tourism". However, as it would not make sense to take a proportion of an establishment, an entire establishment is counted only in the industries that have been selected as "most impacted" by tourism.

More employees than the BC average

Tourism-related establishments provide services to customers, and thus generally require more employees than establishments in other industries. In 2010, 7% of BC establishments had between 20 and 49 employees compared to 16% in tourism-related industries. Tourism industries have employed more individuals than the BC average since 1998 and there have been no significant shifts towards establishments with more or fewer employees.

# of Employees	Proportion of Total Establishments (%)		
	Tourism	Non Tourism	Total BC
1-4	35%	60%	57%
5-9	21%	20%	20%
10-19	20%	11%	12%
20-49	16%	6%	7%
50-199	7%	3%	3%
200+	1%	1%	1%

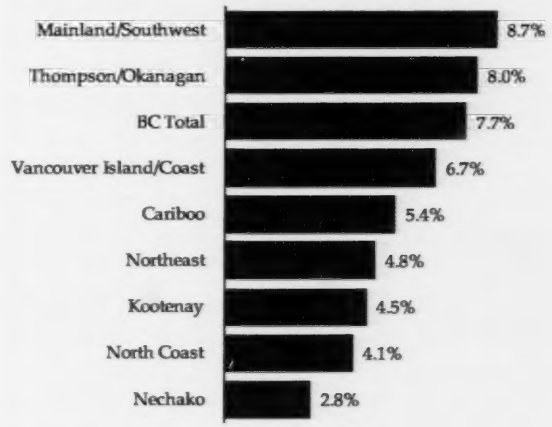
A word of caution

Establishment counts are useful indicators but in themselves do not necessarily measure the economic impact of a particular industry or group of industries. There is no distinction between large and small businesses in a simple establishment count. For example, if a small motel was replaced by a major resort the accommodation establishment count would not change. However, the resort would likely generate more jobs and revenue than a small motel, which would be a significant economic impact. Even so, it is still informative to know where tourism establishments are placed in BC, as well as what are the dominant industries and establishment sizes.

Denser populations lead to larger businesses, but there are variations among industries

Many factors influence whether establishments in a given region are large or small. Population, urbanization, location, local economic conditions, and industry are all things that could influence the typical size of establishments within a region. In 2010, larger regions had more large establishments not only in numbers, but there tended to be a higher proportion of large establishments. For example, there are a similar number of heritage institutions in Vancouver Island/Coast (53) as in Mainland/Southwest (64), despite Vancouver Island/Coast having less than a third of the population[1]. However, in Mainland/Southwest 11% of these establishments had more than 50 employees, a notably greater proportion than Vancouver Island/Coast (4%). The trend of larger establishments in busier areas was more pronounced in some industries than others. For example, location is likely very important for accommodation establishments in urban environments and therefore there may be good reason to build "up", as opposed to building new locations.

Mainland/Southwest and Thompson/ Okanagan had the highest proportion of businesses employing 50+ persons in 2010



Mainland/Southwest featured the highest proportion of large accommodation establishments

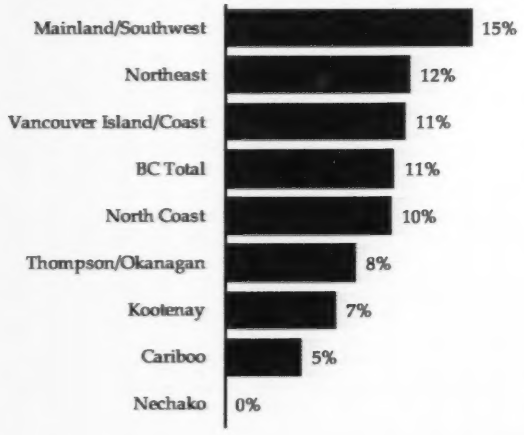
In the accommodation industry, large regions generally featured more large establishments. For example, Mainland/ Southwest recorded 563 accommodation establishments in 2010. Thirty-six of these establishments employed more than 200

[1] In 2010, Mainland/Southwest was estimated to be home to 2,746,963 persons. Vancouver Island/Coast contained 781,245 persons. Source: BC Stats

people, and 87 (15%) had more than 50 employees. This was the highest regional proportion of large accommodation establishments in BC. However, population is only one factor that affects establishment size. Northeast, which accounted for less than 2% of BC's population[2], had the second highest proportion (12%) of accommodation establishments with 50+ employees. This may be due to temporary workers in the area requiring accommodation.

The accommodation industry accounted for 6% of tourism establishments in Mainland/Southwest. This was a far smaller proportion than other regions, but establishments elsewhere were more likely to be small. In the most extreme case, 28% of tourism establishments in Nechako were in the accommodation industry, but roughly half of these had only between one and four employees. There were no accommodation establishments employing more than 50 people in Nechako.

Fifteen percent of accommodation establishments in Mainland/Southwest employed 50+ people in 2010, while none employed that many in Nechako.



[2] Northeast was home to 69,577 persons in 2010.

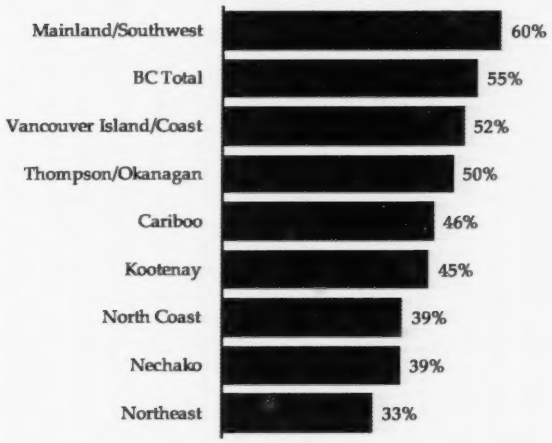
Cariboo contained more large eateries than Kootenay and Mainland/ Southwest supported both the very large and very small

There were 385 places to get food and drink in Kootenay while Cariboo was home to 311 establishments in the same industry. Cariboo, with 21 food & beverage establishments over 50 employees, had over twice the number of large eateries as Kootenay (9) despite the populations of the two regions being of similar size[3]. The larger restaurants in Cariboo may be supported by the urban centre of Prince George as cities in Kootenay are of smaller size. Instead Kootenay had more numerous restaurants of medium/small size (between five and nineteen employees) for a larger total number of food & beverage establishments.

In Mainland/Southwest, 60% of all tourism-related establishments were in the food and beverage industry, more than any other region. Of Mainland/Southwest's total food & beverage establishments, 25% employed between one and four individuals, higher than Vancouver Island/Coast (20%), and Thompson/Okanagan (19%). It is possible that the Mainland/Southwest is better able to support "niche" dining establishments with unique menus than other regions of the province. Mainland/Southwest also had the highest regional proportion of food & beverage establishments employing 50+ persons (9%), resulting in a mix of both large and small food & beverage establishments.

[3] In 2010, Kootenay contained 152,530 persons. Cariboo contained 162,046 persons.

Mainland/Southwest had the highest proportion of establishments operating in the food and beverage industry



Northern BC contained very few performing arts & spectator sport establishments

With a relatively small population of 59,280 persons in 2010, North Coast contained one performing arts & sports establishment employing between one and four people. Likely due to remoteness, all of the northern BC regions had few establishments in this industry, with four establishments in Nechako, and seven in Northeast.

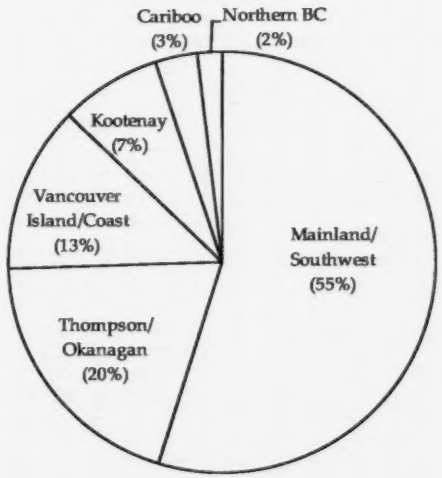
Thompson/Okanagan contained many large amusement, gambling & recreation establishments

Thompson/Okanagan was home to 31 amusement, gambling, & recreation establishments with over 50 employees: more large establishments in this industry than Vancouver Island/Coast (20). These large establishments represented 11% of Thompson/Okanagan's amusement, gambling & recreation establishments, as opposed to 6% in Vancouver Island/Coast.

Not only do they tend to be large, but establishments in Thompson/Okanagan were more likely to be in the amusement industry than establishments in Vancouver Island/Coast, or Mainland/Southwest. Twelve percent of Thompson/Okanagan establishments were in the industry, compared to 11% in Vancouver Island/Coast, or 7% in Mainland/Southwest. However, Mainland/Southwest amusement, gambling & recreation establishments were more likely to be large, with 12% employing over 50 persons.

Establishments in Kootenay were the most likely to be in amusement, gambling & recreation, with 18% of establishments there in that industry. Kootenay's 154 establishments were larger (8% with 50+ employees) and nearly twice as numerous as Cariboo (78, with 6% employing 50+).

Thompson/Okanagan contained 20% of all large (50+ employees) amusement, gambling & recreation establishments in British Columbia.



Appendix

Industrial Group	Establishments	% Total
Food & beverage	9,913	55%
Transportation	3,260	18%
Accommodation	1,913	11%
Amusement, gambling & recreation	1,676	9%
Performing arts & sports	973	5%
Heritage Institutions	208	1%
Total	**17,943**	**100%**

Development Region	Tourism Establishments	% Total
Mainland/Southwest	10,109	56%
Vancouver Island/Coast	3,197	18%
Thompson/Okanagan	2,252	13%
Kootenay	860	5%
Cariboo	679	4%
Northeast	312	2%
North Coast	292	2%
Nechako	218	1%
Total*	**17,943**	**100%**

Source: Statistics Canada Business Register
Prepared by BC Stats

*Components may not add to total as some establishments were missing their geographic code.